



(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R. _____

To place post-employment restrictions on certain former employees of insured depository institutions, insured credit unions, and certain agencies, and for other purposes.

Mr. SCHIFF introduced the following bill; which was referred to the Committee on _____

A BILL

To place post-employment restrictions on certain former employees of insured depository institutions, insured credit unions, and certain agencies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Financial Regulators
5 Revolving Door Enforcement Act”.

1 **SEC. 2. RESTRICTION ON EMPLOYMENT OF CERTAIN**
2 **FORMER AGENCY EMPLOYEES AND FORMER**
3 **SENIOR EMPLOYEES OF INSURED DEPOSI-**
4 **TORY INSTITUTIONS AND CREDIT UNIONS.**

5 (a) 2-YEAR RESTRICTION ON AGENCY EMPLOYMENT
6 AND CONSULTING.—

7 (1) IN GENERAL.—An individual described in
8 paragraph (2) shall be ineligible for an appointment
9 to a covered agency, and no officer or employee of
10 the Federal government may procure the services of
11 such individual as a consultant for a covered agency.

12 (2) RESTRICTION CRITERIA.—An individual de-
13 scribed in this paragraph is an individual who, dur-
14 ing the 2-year period ending on the date such indi-
15 vidual accepts compensation as an employee, officer,
16 or consultant of a covered agency, was employed as
17 a financial executive officer by—

18 (A) an insured depository institution that
19 was the subject of an official action by such
20 agency during the 20-year period ending on
21 such date, including the award of a Federal
22 contract, an investigation, or the imposition of
23 a penalty; or

24 (B) an insured credit union that was the
25 subject of such an official action by such agency
26 during the 20-year period ending on such date.

1 (b) 2-YEAR RESTRICTION ON PRIVATE EMPLOY-
2 MENT.—An individual may not, during the 2-year period
3 after the termination date of the service or employment
4 of such individual as a senior agency employee at a cov-
5 ered agency, knowingly accept compensation as an em-
6 ployee, officer, director, or consultant from—

7 (1) an insured depository institution regulated
8 by such agency; or

9 (2) an insured credit union regulated by such
10 agency.

11 **SEC. 3. RESTRICTION ON CONTACT WITH COVERED AGEN-**
12 **CY BY FORMER AGENCY EMPLOYEES.**

13 An individual may not, during the 2-year period after
14 the termination date of the service or employment of such
15 individual as a senior agency employee at a covered agen-
16 cy, contact such agency on behalf of another individual
17 or entity with respect to—

18 (1) a regulation, rule, or proposed rule of such
19 agency;

20 (2) a policy of such agency;

21 (3) the examination activities of such agency;

22 (4) the distribution of Federal funds from such
23 agency to an insured depository institution or in-
24 sured credit union, including through contract; or

25 (5) the enforcement activities of such agency.

1 **SEC. 4. REQUIRED DISCLOSURES FOR CERTAIN FORMER**
2 **AGENCY EMPLOYEES AND EXECUTIVES OF**
3 **INSURED DEPOSITORY INSTITUTIONS AND**
4 **INSURED CREDIT UNIONS.**

5 (a) REQUIRED DISCLOSURE FOR CERTAIN FORMER
6 AGENCY EMPLOYEES.—

7 (1) IN GENERAL.—Not later than 1 year after
8 the first time an individual who had been a senior
9 agency employee at a covered agency knowingly ac-
10 cepts compensation as an employee, officer, director,
11 or consultant from an insured depository institution
12 or insured credit union regulated by such agency,
13 such individual shall submit to the head of such
14 agency a disclosure containing the following informa-
15 tion:

16 (A) The title of each position held by such
17 individual at such insured depository institution
18 or insured credit union.

19 (B) The date on which such individual
20 began working as an employee, officer, director,
21 or consultant at such institution or credit
22 union.

23 (2) LIMITATION.—Paragraph (1) shall not
24 apply to an individual on or after the date that is
25 5 years after the last date on which such individual
26 was a senior agency employee at a covered agency.

1 (b) REQUIRED EMPLOYMENT DISCLOSURE FOR CER-
2 TAIN EXECUTIVES.—

3 (1) IN GENERAL.—Not later than 1 year after
4 the earlier of the first time an individual who was
5 a financial executive officer becomes a senior agency
6 employee of a covered agency or enters into a con-
7 tract with the head of a covered agency to provide
8 services as a consultant after each period as a finan-
9 cial executive officer, such individual shall submit to
10 such head of a covered agency a disclosure, includ-
11 ing—

12 (A) the title of each position previously
13 held by such individual at an insured depository
14 institution or insured credit union regulated by
15 such agency; and

16 (B) the first and late date on which such
17 individual held each position described in sub-
18 paragraph (A).

19 (2) LIMITATION.—Paragraph (1) shall not
20 apply to an individual who, during the 5 year period
21 immediately proceeding an appointment or the date
22 of a contract described in such paragraph, was not
23 a financial executive officer.

1 **SEC. 5. TRAINING REQUIREMENT FOR EMPLOYEES OF COV-**
2 **ERED AGENCIES.**

3 (a) IN GENERAL.—Not later than 1 year after the
4 date of the enactment of this Act, and annually thereafter,
5 each covered agency shall provide a training described in
6 subsection (b) to each senior agency employee.

7 (b) TRAINING REQUIREMENTS.—The training re-
8 quired under subsection (a) shall include information re-
9 garding—

10 (1) avoiding conflicts of interest with respect to
11 insured depository institutions and insured credit
12 unions;

13 (2) ethical standards required by the agency
14 providing such training;

15 (3) any obligations of senior agency employees
16 under section 2635.502 of title 5, Code of Federal
17 Regulations (or any successor regulations);

18 (4) any legal protections for a whistleblower
19 who reports a violation of the provisions of this Act,
20 including—

21 (A) protections against retaliation; and

22 (B) any incentive available to a whistle-
23 blower for reporting such violation; and

24 (5) such other matters, as determined by the
25 head of the agency providing such training.

1 **SEC. 6. REVIEW OF INSURED DEPOSITORY INSTITUTION**
2 **AND INSURED CREDIT UNION COMPLIANCE**
3 **AND POLICIES.**

4 Not later than 1 year after the date of the enactment
5 of this Act and every 2 years thereafter, each head of a
6 covered agency shall conduct a review of each insured de-
7 pository institution and insured credit union to—

8 (1) determine if such institution or credit union
9 is in compliance with the requirements of this Act;
10 and

11 (2) examine the policies of such institution and
12 credit union with respect to the requirements of this
13 Act.

14 **SEC. 7. PENALTIES.**

15 (a) **IN GENERAL.**—If the Attorney General deter-
16 mines that an individual, insured depository institution,
17 or insured credit union has violated a provision of this Act,
18 the Attorney General shall impose a civil penalty in an
19 amount determined by the Attorney General.

20 (b) **CONSIDERATIONS.**—In determining the amount
21 of a penalty under subsection (a), the Attorney General
22 shall consider—

23 (1) the severity of such violation, as determined
24 by the Attorney General;

1 (2) the number of penalties previously imposed
2 on such individual, institution, or credit union under
3 subsection (a); and

4 (3) whether such individual, institution, or cred-
5 it union has been penalized for such violation under
6 section 216 of title 18, United States Code.

7 **SEC. 8. DEFINITIONS.**

8 In this Act:

9 (1) COVERED AGENCY.—The term “covered
10 agency” means the following:

11 (A) The Board of Governors of the Federal
12 Reserve System.

13 (B) The Bureau of Consumer Financial
14 Protection.

15 (C) The Federal Deposit Insurance Cor-
16 poration.

17 (D) The National Credit Union Adminis-
18 tration.

19 (E) The Office of the Comptroller of the
20 Currency.

21 (2) FINANCIAL EXECUTIVE OFFICER.—The
22 term “financial executive officer” means, with re-
23 spect to an insured depository institution or insured
24 credit union—

1 (A) the president of such institution or
2 credit union;

3 (B) a vice president of such institution or
4 credit union who is the head of a principal busi-
5 ness unit, division, or function (such as sales,
6 administration, or finance);

7 (C) an employee of such institution or
8 credit union who performs a policymaking func-
9 tion; or

10 (D) an officer of a subsidiary of such insti-
11 tution or credit union who performs a policy-
12 making function for such institution or credit
13 union.

14 (3) INSURED CREDIT UNION.—The term “in-
15 sured credit union” has the meaning given such
16 term in section 101 of the Federal Credit Union Act
17 (12 U.S.C. 1752).

18 (4) INSURED DEPOSITORY INSTITUTION.— The
19 term “insured depository institution” has the mean-
20 ing given such term in section 3 of the Federal De-
21 posit Insurance Act (12 U.S.C. 1813).

22 (5) SENIOR AGENCY EMPLOYEE.—The term
23 “senior agency employee” means a Federal employee
24 who is—

1 (A) employed in a position in the executive
2 branch for which the rate of basic pay is—

3 (i) determined under subchapter II of
4 chapter 53 of title 5, United States Code;
5 or

6 (ii) equal to or greater than 86.5 per-
7 cent of the rate of basic pay for level II of
8 the Executive Schedule, not including any
9 allowances, premium pay paid under the
10 provisions of law cited in section 5547(a)
11 of such title, or locality-based com-
12 parability payments under section 5304 of
13 such title 5, or similar authority;

14 (B) appointed by the President to a posi-
15 tion under section 105(a)(2)(A) or
16 105(a)(2)(B) of title 3, United States Code;

17 (C) appointed by the Vice President to a
18 position under section 106(a)(1)(A) or
19 106(a)(1)(B) of title 3, United States Code; or

20 (D) an active duty commissioned officer of
21 the uniformed services serving in a position for
22 which the pay grade, as specified in section 201
23 of title 37, United States Code, is pay grade O-
24 7 or above.